

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

December 29, 2005

In Reply Refer To:  
Transcontinental Gas Pipe Line Corp.  
Docket No. RP04-57-000

Transcontinental Gas Pipe Line Corporation  
P.O. Box 1396  
Houston, Texas 77251-1396

Attention: David A. Glenn  
Senior Counsel

Reference: Response to Order To Respond

Dear Mr. Glenn:

1. On January 5, 2004, Transcontinental Gas Pipe Line Corporation (Transco) filed an explanation to the Commission's Order To Respond issued on December 19, 2003, (December 19 Order) in the above-referenced docket.<sup>1</sup> The December 19 Order directed Transco to explain how its then currently effective tariff provisions on discounts at secondary points, set forth in section 40.2(b) of its tariff, was consistent with the Commission's *CIG/Granite State*<sup>2</sup> discount policy, as clarified in *Horizon Pipeline Company*.<sup>3</sup>

2. At the time of the December 19 Order, the Commission's discount policy, as enunciated in *CIG/Granite State*, was that a pipeline's failure to provide a shipper's contract discount or the prevailing discount at a secondary point where the shipper is similarly situated to other shippers is discriminatory. The *Horizon* order noted that section 40.2(b) of Transco's tariff could be inconsistent with the ruling in *Horizon*. To

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<sup>1</sup> *Transcontinental Gas Pipe Line Corp.*, 105 FERC ¶ 61,305 (2003).

<sup>2</sup> *Colorado Interstate Gas Company*, 95 FERC ¶ 61,321 (2001); *Granite State Gas Transmission, Inc.*, 96 FERC ¶ 61,273 (2001).

<sup>3</sup> 105 FERC ¶ 61,304 (2003) (*Horizon*).

ensure that all pipelines adhered to the Commission's discount policy, the Commission issued the December 19 Order requiring Transco to explain how the provision in question operated, and how such operation was consistent with the Commission's discount policy.

3. On March 3, 2005, the Commission issued the Commission's Second Order on Remand in *Williston Basin Interstate Pipeline Company (Williston Order)*.<sup>4</sup> The *Williston Order*, among other things, stated that the Commission could not, at that time, satisfy its burden under section 5 of the Natural Gas Act (NGA) to require pipelines to modify their tariffs to incorporate the *CIG/Granite State* discount policy. Therefore, the Commission vacated the Commission's existing policy governing the portability of shipper rate discounts. The order further provided that other pipelines whose tariffs implemented the *CIG/Granite State* policy could file, pursuant to NGA section 4, to remove their tariff provisions implementing the *CIG/Granite State* policy.

4. On March 18, 2005, in Docket No. RP05-236-000, Transco submitted a filing to remove the provisions of Section 40.2 of its tariff implementing the *CIG/Granite State* policy. The Commission accepted the tariff sheets by unreported Letter Order issued April 13, 2005. In view of the above, the instant proceeding is now moot, and this proceeding is terminated.

By direction of the Commission.

Magalie R. Salas,  
Secretary.

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<sup>4</sup> *Williston Basin Interstate Pipeline Co.*, 110 FERC ¶ 61,210 (2005), *reh'g. denied*, 112 FERC ¶ 61,038 (2005).